REMARKS

Applicants appreciate the Examiner's thorough review of the present application, and respectfully request reconsideration in light of the preceding amendments and the following remarks.

Claims 1-6, 8-10, 12-15 and 17-31 are pending in the application. Claims 1, 7, 11 and 16 have been cancelled without prejudice or disclaimer. Claims 2 and 12 have been rewritten in independent form including all limitations of base claims 1 and 11, respectively. Claims 2-6, 8-10 and 13-15 have been amended to improve claim language and/or better define the claimed invention. New claims 27-31 have been added to provide Applicants with the scope of protection to which they are believed entitled. The new claims, especially claims 28-31, find solid support in the original specification, e.g., at pages 12-13. No new matter has been introduced through the foregoing amendments.

The Examiner's *35 U.S.C. 102(e)* rejection of claims 1-3, 5-8, 10-13 and 15-16 as being anticipated by *Shaffer* (U.S. Patent No. 5,673,253) is noted. Applicants respectfully disagree with the Examiner's rejection of, at least, claims 2, 7 and 12 for the following reasons.

The primary reference of *Shaffer* only teaches local dynamic resource allocation at a single network node. *See,* e.g., the Abstract and the preambles of the claims of *Shaffer.* Therefore, the reference is relevant, if at all, only to the original claims that are directed to local dynamic resource allocation, namely, claims 1, 6 and 11. The reference is not relevant to the invention of claims 2, 7 and 12 where resource allocation at the network level is involved.

In particular, the Examiner alleges that *Shaffer* teaches the claimed network at element 10 in FIG. 1 of the reference. Applicants respectfully disagree, because element 10 of *Shaffer* is merely a node connected to a network (not shown) via trunk 38. *See Shaffer* at column 4, line 51 and column 5, lines 36-38.

The Examiner further reads the *Shaffer* user units 18 connected to node 10 (column 4, line 53) on the claimed network-connected end devices, and argues that *Shaffer* teaches using a software agent to issue instructions to the additional end device at column 5, lines 50-59 and column 6, lines 10-14. Applicants respectfully disagree, because the *Shaffer* "software agent" which appears to reside in main controller 46 does not issue any instructions to the user unit 18. Rather, the *Shaffer* "software agent" controls only the switching fabric 36 (column 6, line 10-14) which is not considered by the Examiner to be an additional end device.

Finally, the Examiner states that *Shaffer* teaches a further software agent located in the additional end device (18) to perform a bit rate control operation to improve the quality of service at the end device. Applicants respectfully disagree, because each "additional end device" 18 of *Shaffer*, as best seen in FIG. 1 of the reference, does not include any element that could be readable on the claimed further software agent. The Examiner's reliance on the bandwidth negotiation disclosed at column 5, lines 14-21 is noted. However, the cited passage fails to teach or suggest that the bandwidth negotiation is handled by a further software agent residing in one of the "additional end device" 18.

Accordingly, Applicants respectfully submit that *Shaffer* fails to teach or disclose many limitations of claims 2, 7 and 12, and does not anticipate the claims.

Claims 2 and 12 have been rewritten in independent form without otherwise touching the merits. The subject matter of claim 7 is now recited in claim 6. Withdrawal of the anticipatory rejection of claims 2-3, 5-6, 8, 10, 12-13 and 15 is now believed appropriate and therefore respectfully requested.

The 35 U.S.C. 103(a) rejection of claims 4, 9 and 14 as being unpatentable over *Shaffer* in view of *Downs* (U.S. Patent No. 5,689,800) is traversed for the reasons advanced with respect to claims 2, 7 and 12 from which claims 4, 9, and 14 depend. Claims 4, 9, and 14 have also been amended to recite unique features that are neither disclosed, taught nor suggested by the applied references, especially *Downs*. Withdrawal of the obviousness rejection of claims 4, 9, and 14 is

now believed appropriate and therefore respectfully requested.

The *35 U.S.C. 103(a)* rejection of claims 17-26 as being unpatentable over *Shaffer* in view of *Downs* is traversed for the following reason.

Unlike *Shaffer* which is related only to <u>local</u> resource allocation, the teaching reference of *Downs* appears to disclose resource allocation at the <u>network</u> level. In particular, *Downs* teaches video feedback for reducing data rate or increasing quality in a video conferencing system. The video feedback includes new, reduced parameters fed from a decoding (receiving) node to an encoding (transmitting) node. The encoding node will encode <u>exactly enough data</u>, based on the new parameters, so as to ensure an efficient use of processing or transmission bandwidth. *See* the Title, column 2, lines 12-26, column 6, lines 20-22 and 60-66, and the claims of *Downs*.

However, *Downs* is distinguishable from the claimed invention. In all disclosed embodiments of *Downs*, "bit rate control" at the encoding node is triggered when the window size at the decoding node is reduced, i.e., when the demanded service quality reduces and the provided service quality <u>exceeds</u> the demanded service quality. In contrast, the claimed invention of claim 17 requires that bit rate control be triggered when the provided service quality is <u>less</u> than the demanded service quality. *See*, e.g., independent claim 17 at the last paragraph. Further, if the window size at the decoding node in the *Downs* system is increased, a person of ordinary skill in the art would recognize that the encoding node will <u>increase</u> processing (service quality) to provide exactly enough data for the larger window. However, the claimed invention requires the opposite, i.e., reducing the service quality at the encoding node. *See*, e.g., claim 20.

Therefore, the Examiner's combined method of *Shaffer* and *Downs*, if proper, would be the opposite of the claimed method. The *35 U.S.C. 103(a)* rejection of claims 17-26 is therefore inappropriate and should be withdrawn.

New claim 27 depends from claim 12 and is considered patentable at least for the reason advanced with respect to amended claim 12. Claim 27 is also patentable on its own merit since the

claim recites a further feature of the invention neither disclosed, taught nor suggested by the applied art, especially *Downs*.

New claims 28-31 are directed to the "video/audio compounding" features disclosed in pages 12-13 of the specification which are not deemed to be disclosed, taught or suggested by any of the applied references. Therefore, claims 28-31 are believed patentable over the applied art of record.

Each of the Examiner's rejections has been traversed. Accordingly, Applicants respectfully submit that all claims are now in condition for allowance. Early and favorable indication of allowance is courteously solicited.

The Examiner is invited to telephone the undersigned, Applicant's attorney of record, to facilitate advancement of the present application.

To the extent necessary, a petition for an extension of time under 37 CFR 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 08-2025 and please credit any excess fees to such deposit account.

Respectfully submitted,

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14